

BEFORE THE IOWA INSURANCE DIVISION

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 IN RE: :
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 WELLMARK RATE INCREASE : Public Hearing
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Iowa Insurance Division
 330 Maple Street
 Des Moines, Iowa
 Thursday, January 6, 2011

Met, pursuant to notice, at 9:00 a.m.

BEFORE: SUSAN E. VOSS, Insurance Commissioner

Also Present: ANGEL ROBINSON
 Consumer Advocate
 Iowa Insurance Division
 330 Maple Street
 Des Moines, Iowa 50319

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1 P R O C E E D I N G S

2 COMMISSIONER VOSS: Good morning, everybody.
3 My name is Susan Voss. I'm the Insurance
4 Commissioner.

5 Today is the public comment hearing on the
6 proposed 2011 rate increase by Wellmark Blue
7 Cross/Blue Shield on a number of their individual
8 products.

9 I just want to make a few housekeeping
10 remarks before we begin this. First of all, I don't
11 know, if you need to use the restroom facilities, you
12 just go out this door, and they're just down the hall
13 to your right.

14 If you want to speak and provide your
15 comments, we have a court reporter here today. She
16 would greatly appreciate it-- I feel like the lights
17 are dimming on me. We're not going to play a movie
18 today.

19 If you could state your name for her so she
20 can get that. We are going to be posting the
21 transcript of this hearing today on our Web site. We
22 had a transcript from the earlier hearing that we had
23 in December, and that is on our Web site as well. So
24 just for her assistance and ours, if you could do
25 that, that would be greatly appreciated.

1 Also, there are a number of news media here,
2 so there are microphones here at the table when you
3 want to come up and speak, and so you will be, no
4 doubt, recorded.

5 I want to give a little background on this
6 hearing process and what we hope to receive today.
7 As you know, during the 2010 legislative session, the
8 legislature determined that it would be appropriate
9 at the time of a proposed rate hearing by an
10 insurance company to provide comment or public
11 hearing for the public to present their views about
12 the rate hearing. So today's hearing is based on a
13 new law which is in Iowa Code Chapter 505, which
14 provides for a public hearing and comment period.

15 Now, what's going to happen after this
16 hearing today-- This is one of the two hearings that
17 we had today on these Wellmark proposed rates. We
18 have an in-house actuary that has done a review of
19 the proposed rate increase. We also have hired an
20 independent outside actuary to review those rates as
21 well. Their reports will both be posted on the Web
22 site if you care to read those.

23 Then we will sit down internally. I have
24 read them briefly. I will review them again, along
25 with all the comments, and will make a determination,

1 we hope, by the end of the month as to what that rate
2 approval will be.

3 There is one of three things that we can do
4 here at the Division. We can simply accept the
5 proposed rate as filed; we can go back to the carrier
6 and say we will accept X percentage, we will not
7 accept the proposed rate; or we can deny the rate in
8 total. If we deny the rate, the carrier can appeal
9 that or ask for a hearing on that.

10 So we have three different ways we can go.
11 We do not have to accept in full whatever the rate is
12 that is filed by the carrier.

13 Today's hearing is also being provided for
14 around the state, and so there may be people who wish
15 to speak who have preregistered from around the
16 state, so not everybody who is participating is
17 actually participating here in Des Moines, but I
18 appreciate you all coming today.

19 One of the requirements under the Code is
20 that the Consumer Advocate in our office, Angel
21 Robinson, receives comments, and those are also on
22 her Web site, if you care to review those as well,
23 and she's had quite a few.

24 And part of the hearing today is for
25 Ms. Robinson to present a summary of those comments

1 and other information to me as she sees appropriate.

2 So with that, Angel, if you want to step up
3 and provide your information and input, I would
4 appreciate that.

5 MS. ROBINSON: Good morning. Thank you very
6 much for allowing me this opportunity to share the
7 information that I've been collecting over the past
8 nearly eight weeks in regards to the proposed
9 Wellmark rate increase.

10 I would like to first begin by explaining my
11 role in the rate increase process for those who are
12 here at the hearing today and for those who will be
13 reviewing the transcript.

14 After the legislature enacted the new Iowa
15 Code Section 505.19, additional procedures are now
16 required for rate increases that are above the CMS
17 average of 6.1 percent.

18 I was notified in November that Wellmark
19 filed such a rate increase at 10.8 percent. That
20 triggered some new protections under Iowa law which
21 required me to begin soliciting comments from the
22 public and from Wellmark policyholders.

23 Those comments were received by e-mail, by
24 fax, by phone, and by facsimile. I have, as of 7
25 a.m. this morning, received over 400 comments from

1 consumers, and those comments tended to be very
2 personal in nature, but I did notice, after some
3 analysis and review, that there were some trends that
4 can be seen.

5 My job is to provide this information to the
6 public so that they can see how the policyholders are
7 being affected and to increase transparency and to
8 also provide these comments to the Commissioner of
9 Insurance before she makes her decision on whether to
10 approve the rate increase that has been requested.

11 Upon review and analysis of the comments
12 received, I found that there are a number of trends
13 that were commonly coming or appearing before the
14 policyholders and the public that were submitting
15 notes and statements on behalf of this proposed
16 increase.

17 One of the most prevalent comments regarded
18 rate increase weariness. I received a total of 164
19 comments from consumers in regards to general
20 weariness for the rate increases that have been
21 received over the years and also in regards to
22 dissatisfaction from consumers and policyholders
23 about receiving another increase of this size after
24 receiving the 2010 rate increase of 18 percent from
25 Wellmark.

1 Some consumers chose to focus their comments
2 by providing explicit detail, which is, again,
3 available on the Web site for review for all the
4 public, and some chose to generally state that they
5 understood that costs were increasing for health care
6 but they expressed their displeasure at receiving
7 another increase and still believed that perhaps the
8 amount of the increase could be lower and closer to
9 inflation.

10 Another major concern that I noticed upon
11 review was that of concerns regarding affordability.
12 This is a concern that had many subgroups and, again,
13 shared many personal stories in regards to how this
14 rate increase would affect each individual
15 commenting.

16 This group of statements included consumers
17 that commented that they were on fixed incomes, that
18 they were retired, that they were on Social Security
19 or disability. Comments were provided by consumers
20 that elaborated on how little income would be left
21 for necessities if the rate increase was approved.

22 Compounding affordability problems were
23 those of lack of accessibility, of options in the
24 health care market for some consumers that had
25 preexisting conditions. These consumers expressed

1 concerns that they were unable to obtain coverage
2 elsewhere in the private health care market should
3 they not be able to continue with the rate increase
4 that's proposed.

5 Affordability comments often came from
6 Medicaid or Medicare seniors and self-employed small
7 business owners. This subgroup also faced or had
8 incomes that were not as flexible or were unable to
9 absorb increases as easily as some may be.

10 Nearly a third of this group actually
11 expressed concerns that if the proposed rate increase
12 did go through, they would be forced to lose their
13 health insurance and be uninsured.

14 At 106 comments, I received concerns in
15 regards to increases for consumers that rarely used
16 their health insurance or had high-deductible plans.
17 Comments that were received by consumers who were
18 this felt unjustified in rate increases as their
19 personal usage was rare, as well as those who had
20 high deductibles felt that their situation did not
21 warrant a rate increase.

22 Their concern was that, as they were not
23 actually using the benefits of their policy and that
24 they were being responsible policyholders, in their
25 mind, they should not be grouped or pooled with those

1 who were not in like situations.

2 Though some of the consumers understood the
3 basic premise of insurance was pooling, they still
4 disagreed that they should be put into the same group
5 and believed that their pool was not the proper one
6 for them.

7 One of the last trends that was noticeable
8 was that of Wellmark spending. Consumers made many
9 varied comments in regards to the spending that
10 Wellmark had performed on their new office facilities
11 as well as those in regards to employee compensation.
12 There are also some concerns in regards to the
13 mailers and to publicity information and consumer
14 information sent out by regular mail to consumers.

15 Some of the comments received by consumers
16 in regards to this matter included suggestions on
17 changes that could be made by Wellmark, though I
18 would note that a lot of these comments and
19 suggestions leaned heavily towards some of the
20 objections that were received, and that includes
21 comments in regards to how they should use their new
22 facilities or how employee compensation could be
23 changed.

24 I would add that there were some suggestions
25 dealing with policyholders' wellness programs and

1 possible discounts that could be offered, but in
2 general I would say, for this category of comments
3 and testimony that were received, the consumers were
4 concerned with cutting costs and passing those costs
5 back to the policyholders as opposed to having them
6 absorbed by the company.

7 I would also like to say today that while I
8 did receive comments directly from consumers, the
9 Insurance Division did provide an opportunity on
10 December 18th for an additional public hearing.

11 At that public hearing, the consumers had an
12 opportunity to share their comments directly with the
13 Commissioner and add their statements and testimony
14 directly to the record. We had approximately a dozen
15 speakers at that hearing, and at that time many of
16 the speakers focused on questions to the
17 Commissioner, and there was additionally an
18 opportunity for education.

19 The questions that were presented and the
20 discussion focused around federal health care laws
21 regarding medical loss ratio, the transparency of
22 Wellmark and their books. There was some discussion
23 regarding previously approved rate increases, and,
24 finally, the role of the Commissioner, the Consumer
25 Advocate, and the rate application process.

1 The consumers at the December 18th testimony
2 public hearing wished to express to the Commissioner
3 that though their comments seemed anecdotal, they
4 wanted to reaffirm that they were really representing
5 a larger population of policyholders for Wellmark.
6 They were representing policyholders that were not
7 able to come to the hearing or may not have had the
8 opportunity to make comments.

9 That is actually very similar to some of the
10 comments I received directly from consumers. I
11 received over 100 comments from consumers expressing
12 very similar points for the Commissioner that were
13 asking to either disapprove, disagree, or explicitly
14 ask the Commissioner of Insurance not to approve the
15 rate increase.

16 Many consumers expressed that if this rate
17 increase was absolutely necessary and if it was
18 approved they implored the Commissioner to negotiate
19 on their behalf as they were individual policyholders
20 and did not have the benefit of group policyholders
21 to have someone negotiate on their behalf for them.

22 In conclusion, I would ask that these
23 comments and the reports that I will post on-line for
24 the public and provide to the Commissioner be added
25 to the record.

1 I would also ask if the Commissioner has any
2 questions or comments for me at this time.

3 COMMISSIONER VOSS: Angel, tell me again how
4 many comments we have posted to date. Over 400?

5 MS. ROBINSON: We had over 400 when I
6 checked and I added to my statistics this morning at
7 7 a.m., but I can tell you that there have been
8 additional comments made since then that have
9 not--that I have not had a chance to add to my
10 statistics.

11 But at my last count at about 1 a.m. this
12 morning, it was 404. And, again, that does not
13 include the comments that are waiting for me when I
14 get back to my office.

15 COMMISSIONER VOSS: Thank you. Thank you.

16 MS. ROBINSON: Thank you.

17 COMMISSIONER VOSS: At this time we have a
18 number of people who have preregistered that they
19 would like to make some public comments, and I'll
20 call your name, and if you can come to this table.
21 And if I don't say your name correctly, I apologize.

22 Karen Messamer. Karen, are you here?

23 Okay. We'll wait. Maybe she's going to
24 be-- This isn't the easiest place to find.

25 Adam Mason? Adam?

1 Jim Nelson?

2 I have a list of people who have signed up.
3 Let's see. I'll just-- Oh, I'm sorry. Mr. Nelson?

4 MR. NELSON: Yes.

5 COMMISSIONER VOSS: Okay. Thank you.

6 MR. NELSON: For my first 20 years of
7 working, I paid premiums to Wellmark with virtually
8 no claims. My health was so good that I routinely
9 donated my sick days to fellow employees in need.

10 From 2004 to 2009, my premium increased by
11 42 percent, from \$488 monthly to 695. It was stated
12 in the Des Moines Register that there was an 18
13 premium--percent premium increase last spring. From
14 2009 to 2010, my premium increased by 50 percent,
15 from 695 monthly to \$1,050.

16 It stated in the Des Moines Register that
17 there was an average of an 11 percent premium
18 increase planned for 2011. From 2010 to 2011, my
19 premium increased by 15 percent, from \$1,050 monthly
20 to 1,213.

21 It was stated in the Des Moines Register
22 that Insurance Commissioner Susan Voss and her agency
23 plan to make a decision by late January about
24 Wellmark's latest request for an increase. Is it
25 legal to increase the premium withdrawn from my

1 account yesterday without having been granted state
2 approval?

3 When I retired, I kept Wellmark's best
4 insurance, Program 3 Plus. It would appear that
5 Wellmark is now targeting policyholders like myself.

6 COMMISSIONER VOSS: Adam Mason or Karen
7 Messamer, are you-- I saw some people come in.

8 I have a Robert Bernard. Mr. Bernard?

9 MR. BERNARD: I'm Robert L. Bernard. I
10 wanted to talk to you about administrative overhead.

11 By way of background, I retired about eight
12 years ago from Colorado State Supreme Court, office
13 of the state court administrator. I've been
14 self-insured since.

15 The recently enacted federal legislation on
16 health care initiatives, those implemented thus far
17 and to be implemented in the near future, will help
18 us out as individuals.

19 Moreover, the administrative overhead that
20 insurance companies now have will also be reduced
21 because a lot of the decision-making processes will
22 not need to transpire. So I want you to look at the
23 administrative overhead to see if there's some
24 consideration of that in this whole process.

25 I want to give one little personal example.

1 I just became a Blue Cross Insurance carrier, again,
2 paying for it myself, so I received in the mail two
3 letters, two business cards, you know, they provide
4 me to use insurance, with two different group
5 numbers.

6 So I called Blue Cross yesterday and said,
7 "Why? Which one is correct?"

8 The staff person was helpful for me. They
9 looked in some system, I presume, and they said,
10 "Well, you lived in Colorado."

11 I says, "Yes. That was 11 years ago. Why
12 am I still listed there?"

13 "Well, I don't have an answer," because
14 this, you know, staff person wouldn't begin to know
15 this.

16 So I said, "Can you get that corrected,
17 delete that from your records? And then which of
18 these two group card numbers and policies are
19 correct?"

20 So the staff said, "Well, throw away this
21 one because it's not going to be used." Okay. So I
22 did that.

23 But it's a little example of administrative
24 overhead and inefficiency. You're not going to
25 address that, obviously, here today, but nonetheless,

1 this is just an example for you to file away
2 somewhere in your brain.

3 So that's all I want you to look at is
4 administrative overhead with the impact that we have
5 on our health care system and try to bring that into
6 your decision-making process. And good luck.

7 COMMISSIONER VOSS: Thank you.

8 MR. BERNARD: Thank you.

9 COMMISSIONER VOSS: Dale Lamb.

10 MR. LAMB: Good morning. Thanks for the
11 opportunity today. Our mutual acquaintance, as you
12 recall, was fairly outspoken, so forgive me if that's
13 in part of my DNA here today.

14 But that being said, I can't believe that I
15 don't see crowds here with pitchforks and torches.
16 Maybe it's the "No Smoking" sign, but I think this is
17 outrageous.

18 Did the actuaries that we're talking about
19 look at the books of the insured, the consumer out
20 there, to evaluate what they could afford? Should
21 they be doing that as a part of what the Code should
22 provide?

23 You know, I think the number one cause of
24 bankruptcy today is due to medical debts, and I think
25 this is likely due to the fact that a huge number of

1 people can't even afford health insurance and so they
2 get caught with the medical debts.

3 Now, other than paying our medical bills,
4 the insurance companies spend big money on
5 advertising, buying some of Iowa's best real estate,
6 putting up some of its best buildings, paying good
7 salaries, big CEO pay, spreading their big profits,
8 and making big charitable contributions because they
9 have our money. Those things should be examined in
10 determining these rate increases.

11 The average family of three cannot afford
12 \$12,000 a year in premiums plus paying a \$1,500
13 deductible, maybe, for the wife, paying a \$5,500
14 deductible for the child and the other spouse, which,
15 once you add those up you've got \$19,000 annually.

16 And that doesn't include maybe another 5,000
17 for medical travel costs. And I'm not even thinking
18 about motels because you can't afford them at that
19 point. You just drive through.

20 It's not counting the hundreds of dollars,
21 if not thousands more, for the various medical,
22 dental, and vision expenses that they have and they
23 have no coverage for.

24 Let's say that one needs a colon scope after
25 age 50, which, if it's for preventative purposes, may

1 not even be covered by your coverage. Or if you have
2 symptoms, you know, bleeding from the rectum,
3 something like this, perhaps, then you have more out
4 of pocket that you pay for that service because you
5 only have a 60/40 coverage.

6 So, you know, \$5,000 procedure, maybe
7 \$2,000, maybe insurance company gets that reduced--

8 COMMISSIONER VOSS: Excuse me. Hold on.
9 Somebody is leaning against the lights.

10 Thank you.

11 MR. LAMB: I thought I went blind for a
12 minute. I was going to need more coverage.

13 COMMISSIONER VOSS: It's not over until the
14 fat lady sings, and I haven't sung yet, so you're
15 good to go.

16 MR. LAMB: And that gives you problems too
17 with your weight in the insurance world.

18 We can't afford the proposed increase. I
19 don't find any other costs rising like this. And all
20 the time our Social Security recipients are being
21 told the cost of living hasn't gone up so you don't
22 get an increase.

23 Now, several people have suggested to me
24 that it's a waste of time to be here. I still
25 encouraged everybody to continue to call in. Knowing

1 that there's a case now pending before the Iowa
2 Supreme Court which will determine how all Iowans can
3 challenge their insurance companies on denials of
4 coverage and that the Insurance Commission could have
5 helped the insured but left in the battle alone,
6 didn't lift a finger, does concern me about the
7 reasons for being here.

8 I can only conclude wondering if before
9 anyone here does go in to have that colon scope
10 whether they should consider if any of the bleeding
11 from the rectum is from medical reasons or from
12 what's going on here today.

13 COMMISSIONER VOSS: Okay. The next person I
14 have is George Easley.

15 Did I pronounce that right?

16 MR. ENSLEY: Close enough. Ensley, but no
17 problem.

18 COMMISSIONER VOSS: Ensley. George Ensley.

19 MR. ENSLEY: Hi. My name is George Ensley,
20 and, like thousands of other Iowans, I pay for my own
21 insurance. And right now I have a pretty high
22 deductible. It's about five grand a year.

23 And just kind of looking at your boot,
24 personally, I'd be very, very interested in how much
25 that cost, and then, you know, myself, I would like

1 to know how much was your operation, how much was
2 everything else involved, because I'm sure that right
3 now it's a little bit hard to play tag with your
4 grandkids.

5 Anyway, I could come here and complain that
6 health insurance premium rate increases far exceed
7 the rate of inflation, but a lot of other people are
8 going to do that for me.

9 I could complain that these present
10 hyperinflationary rates mean less money left for
11 basic--families' basic needs and less money left for
12 businesses to expand and grow, but a lot of other
13 people will do that for me.

14 I don't come here to complain about these
15 problems, but I hope to offer a couple of solutions
16 that only require, I think, some executive orders
17 from the Iowa Insurance Commission, simple solutions
18 that can help reduce runaway insurance premiums, just
19 two things.

20 One, combine all self-insured people into
21 one single pool in Wellmark. My question is why all
22 the different pools? I think it's just a clever
23 marketing ploy. And experience has shown that
24 healthy people benefit by jumping from one low-cost
25 pool to the next.

1 However, those less fortunate get caught up
2 in a rapidly rising pool where the only people left
3 are those who are sick. These people face financial
4 ruin or they opt out and pay for their costs--they
5 let other people pay for their costs.

6 A single pool would get stable rates, not
7 prone to runaway rate increases. People could be
8 able to afford to keep their insurance.

9 A single pool would be much more predictable
10 for Wellmark in terms of revenue and claims. Instead
11 of trying to keep track of hundreds of groups, only
12 one very large group in each company--in Wellmark
13 would be involved, and a much more actuarially
14 precise forecast could be made.

15 I think have an option for small companies
16 to join an all-Iowa pool. If they can save money,
17 they could invest their savings in expanding and
18 growing their business.

19 One large pool would also make it very easy
20 for this commission, the Iowa Insurance Commission,
21 to accurately and reliably monitor what is going on.
22 This is a relatively simple thing that I think could
23 probably be done before the scheduled April increase.

24 Two, take away the mystery and the secrecy
25 of hospital and doctor charges. Where the basic cost

1 of the insurance comes from is how much is what they
2 have to cover.

3 I feel like we are in the Middle Ages. In
4 the Middle Ages, the church kept hold on power only
5 by allowing Bibles in Latin, unreadable to
6 only--unreadable to everybody except for the very
7 privileged few.

8 Gutenberg's Bible printed in German allowed
9 the masses to read and study the Bible and grow in
10 their understanding. Why can't we do that with
11 health insurance?

12 One start to demystifying hospital and
13 doctor charges would be to post Medicare
14 reimbursement rates in a free and easily accessible
15 Web site. This would give Iowa's citizens a
16 comparison basis.

17 I'd like to see Wellmark payment rates, what
18 they pay out, I'd also like to see those posted. I'd
19 like to see a comparison of Medicare, Wellmark and
20 other companies side by side for different
21 procedures, like how much does it cost for foot
22 surgery, to get a boot.

23 And I feel an ideal Web address for the
24 above would be the Iowa Insurance Commission Web site
25 and/or the Iowa Insurance Consumer Advocate Web site,

1 someplace where I can go and I can say--ask how much
2 is it going to cost for a particular procedure.

3 Actually, the particular hospital I go to
4 and stuff like that, they got a \$15 blood test, and
5 it covers everything from cholesterol to BUNs and all
6 that other type of stuff. If I asked--if I had it
7 prescribed by my physician, it would be an \$85 blood
8 test for the same identical piece of paper.

9 The health industry is the only
10 multi-thousand-dollar service I know of where you
11 don't know the prices until the end. If you really
12 want smart consumers of health services, prices must
13 be known.

14 Health insurance premiums are just like
15 taxes, a necessary expense, but at least with taxes
16 you know what the rates are. The citizens of Iowa
17 are entitled to know what the health care cost is
18 before we need it.

19 Thank you very much.

20 COMMISSIONER VOSS: Thank you.

21 Don Mealey. Is it Mealey?

22 MR. MEALEY: Good morning, Ms. Voss. Glad
23 to meet you again.

24 COMMISSIONER VOSS: I thought you looked
25 familiar.

1 MR. MEALEY: I feel I could work for you as
2 a subcontractor, and I feel you have integrity, but
3 the company that's in question here today I see still
4 didn't have enough integrity to show up with any
5 personnel to show up.

6 I'd like to talk to that man because I want
7 him to do some negotiating for me. I want him to
8 raise my rates to my contractors and see if I can
9 come away with that good of a deal.

10 I noticed one thing about driving down here
11 today. The majority of the streets are all named
12 after trees. We got Locust, Mulberry, Cherry, Maple.
13 That tells me at one time this city and this state
14 was a backwoods state. Well, we come a long way now
15 from that backwoodsness.

16 The doctors and the medical field are part
17 of the problem here. We started out giving the
18 doctor a dozen eggs for our service. Then we gave
19 him the chicken that produced the eggs. Now he's
20 taking the whole farm. I mean, so that's where we're
21 at.

22 Now, the last time I met with you was at the
23 State Capitol, and gas was under \$3 a gallon. Well,
24 as we all know, gas is over \$3 a gallon today.

25 COMMISSIONER VOSS: I have nothing to do

1 with that.

2 MR. MEALEY: Yeah. That's right.

3 COMMISSIONER VOSS: Let me just be on the
4 record. I have no power over gas.

5 MR. MEALEY: Okay. But that's the cost of
6 living that we're having to deal with because now I'm
7 paying \$3 a gallon for gas.

8 They want me to pay \$307.10 monthly increase
9 for my Blue Cross/Blue Shield. If I was able to buy
10 my insurance out of state like I do my car insurance,
11 there's a bigger field to play in.

12 Unfortunately, in this last census we seen
13 the state of Iowa's actually shrinking, so I got news
14 for you people, our insurance rates are going to go
15 up even higher in the future because you got less
16 pools to draw from.

17 Baby boomers are getting older, that's a
18 fact. But keep in mind, one thing about the
19 insurance that they have they offer, the one thing
20 that's really interesting about that is we all end up
21 on this page (indicating). This is where we're going
22 to get our name and our face in the page.

23 I propose if we all--all those poor souls
24 had health insurance and it didn't work, they should
25 get their money back. There should be a dramatic

1 rebate right there.

2 We're all going to die, so why be held
3 hostage by one monopoly? Whenever you have 75
4 percent of the business in a state, that may not be
5 described as a total monopoly, but it's pretty damn
6 close in my book.

7 If we could go across state lines where
8 there was bigger populous other than the three
9 million people-- And I venture to say there's
10 probably one million in the state doesn't have
11 insurance, so we're only being charged out of two
12 million people for these exuberant costs.

13 Drive around out west, look at the
14 hospitals. Those aren't hospitals. They're
15 Taj Mahals. That's all built off of excessive
16 profit.

17 Now, granted, the union membership gets to
18 go to work on those. I'm nonunion. I don't make a
19 dime off of them. I pay for that grandiose
20 atmosphere.

21 I don't know whether it has healing effect,
22 but apparently it has something for the CEOs who walk
23 around and they think they're in their little
24 kingdom. We're paying for that.

25 Other ways that I see we're paying for it,

1 Iowa Career Jobs. Wellmark is one of the few
2 businesses that are hiring today. They're hiring in
3 every--advertisement, financial, whatever. The only
4 thing they're not hiring in is banking, and that
5 surprised me because they could start their own bank.

6 When the CEO and the people on the board of
7 directors at Wellmark sit down and come up with these
8 rates, I wish they had to have worked in a small
9 business where a budget means something. They don't
10 work-- They're working in a la-la land. They're
11 getting people with the most important thing to us,
12 and everybody in this room, is their health care.

13 And we want to have health care. We want to
14 be responsible, but it's making it almost-- They're
15 putting too much grease on the pole. We almost
16 cannot be responsible.

17 And, you know, like I said, with the \$3 gas
18 and the cost of living's going up and every other
19 thing, I was quoted that my rate was going to go up
20 46 percent.

21 Now, I don't feel I'm in bad health. Now,
22 if I was a good driver, I get reductions in my-- And
23 I am a good driver so I do pay cheap premiums on my
24 driving skills because they put you in a pool that
25 you're not at high risk. But at 60 years old, I'm

1 put in the same pool that is 60-year-old people that
2 are in pathetic shape.

3 We went through drugs, sex, rock and roll,
4 Jimmy Hendrix, Janice Joplin society, and now the
5 chickens have come home to roost, and we're paying
6 for that through our noses and our back pocket. I
7 think it's just got a little excessive.

8 And, Susan, I talked to a doughnut maker at
9 a local convenience store yesterday, and she seen my
10 personality on TV. I'm not here for me at all. I'm
11 here for the average Joe lunchbox guy or gal.

12 And she said, "I really appreciate you
13 speaking up," because she--she got a \$30 weekly
14 increase. She has two kids and makes doughnuts at a
15 local convenience store. She's trying to keep off
16 the world of welfare, but it's not going to come out
17 if these costs keep escalating.

18 And, unfortunately, with the new
19 technologies that are being offered to citizens, we
20 all want golden Cadillacs, but we can't afford them.

21 So maybe the medical field are going to have
22 to just step back and say, "Hey, if we give you 50 or
23 60 years on life, that's about as good as we can do,"
24 because you can't afford all the technology that's
25 going on. I mean, that sounds cold and callous, but

1 let's put it we can't afford all gold Cadillacs.

2 And I'm really glad to see this crowd here
3 today because what was up there at the statehouse on
4 December 8th [sic] was appalling, and something that
5 means so much to so many people.

6 And I do hope, like you stated earlier this
7 year in the Des Moines Register, that you don't get
8 complaints when it's too cheap, you only get it at
9 your threshold when it's too high.

10 And I know you have a big job on your
11 shoulders. I just hope you can sit down and justify
12 your findings at the end of the day because I can
13 tell you right now the people that you're
14 representing, Wellmark, they don't deserve to be
15 that--compensated with that kind of money.

16 I mean, they send out little fliers like
17 this. Now, this is good for the printer. Maybe this
18 created work. It tells you what to eat and what to
19 do and all this stuff. I'm 60 years old. I've lived
20 my life. I know how to live a life. I mean, I got
21 to 60 years old.

22 And I'll say that does employ people, so
23 maybe that's a stimulus package. Maybe this is a
24 stimulus package when they hire all these people.
25 But I see in small businesses and business in general

1 they're cutting back. With the computer technology
2 and stuff, I don't see why Blue Cross/Blue Shield has
3 to keep hiring all these people to fill positions,
4 triplication of the same personality.

5 So that's all I have to say today. And,
6 like I say, I'm here for the average Joe that can't
7 be here at 9 o'clock because they've got a job and
8 they've got to work. And Maple ain't the easiest
9 place to find.

10 COMMISSIONER VOSS: I know. Sorry. They
11 kind of stuck us back here.

12 MR. MEALEY: Thank you.

13 COMMISSIONER VOSS: Thank you.

14 James Nelson? Mr. Nelson?

15 MR. NELSON: Already spoke.

16 COMMISSIONER VOSS: Oh, I'm sorry.

17 Mr. Deal, Jim Deal?

18 MR. DEAL: I'm going to pass. Thank you.

19 COMMISSIONER VOSS: Okay. Thank you.

20 George Arvidson.

21 MR. ARVIDSON: Ms. Voss and members of the
22 public, my name is George Arvidson.

23 I'm an attorney. I worked for the State of
24 Iowa for 30 years, and when I retired in 2002, I had
25 to--I continued my Blue Cross policy. At that time,

1 it was a little over \$500 a month.

2 From 2002 to 2007, it went from a little
3 over \$500 a month to a little over \$1,500 a month.
4 Now, this was a family plan, and I, tongue in cheek,
5 suggested to my wife that we get guardianship of our
6 grandkids so that we could cover them with insurance.
7 We didn't do that, of course.

8 But in March of 2007, I qualified for
9 Medicare and sent a letter to Blue Cross telling them
10 that I wished that my policy be canceled, and I
11 obtained a policy through Physicians Mutual out of
12 Omaha for my supplemental policy.

13 My wife wasn't so fortunate. She had to go
14 on Blue Cross as an individual. They didn't take
15 into consideration the fact that we had been with
16 them for 30 years.

17 We got a high-premium, high-deductible
18 policy, virtually excluding every preexisting
19 condition she had, and, in essence, we were not only
20 paying the premium for that policy, but we were
21 insuring ourselves. And that went from March of 2007
22 through October of 2008, I believe, when she went on
23 Medicare.

24 But the crux of what I'm here for today is
25 to talk a little bit about unnecessary processing of

1 claims. Every time I go to a doctor or hospital or
2 what have you, Blue Cross processes the claim for me,
3 even though it's processed by Medicare and it's
4 processed by Physicians Mutual.

5 Medicare pays their share, Physicians Mutual
6 pays their share, and the Blue Cross processed claim
7 says this: "These services were performed after your
8 coverage was canceled." I know it was canceled. I
9 canceled it.

10 So I tried to get to the bottom of it. In
11 March of 2009, I wrote a letter again to CMS, which
12 is the company that processes Blue Cross claims for
13 this area, and in that letter I indicated-- Now I'm
14 going to read from the letter.

15 "I enrolled for Medicare coverage, and it
16 began in March of 2007. At the same time I purchased
17 a Medicare supplement policy from Physicians Mutual
18 Insurance," Policy No. blank, blank, blank.

19 "I wrote my primary insurance carrier and
20 canceled my health care insurance policy," Wellmark
21 Blue Cross/Blue Shield Policy No. blank, blank,
22 blank.

23 "Every time a claim is processed, it is sent
24 by CMS to my private insurer, Wellmark, even though
25 they have canceled my previous policy with them at my

1 request almost two years ago.

2 "I do not wish CMS to show Wellmark as my
3 private insurance carrier on my CMS summary and
4 benefits since the policy has been canceled, and I
5 would like CMS to stop sending claims to Wellmark
6 since the policy has been canceled. I am tired of
7 getting benefit summaries from Wellmark stating these
8 services were performed after your policy was
9 canceled." And "See a highlighted example," and I've
10 got virtually dozens of these.

11 Now, this is certainly a very inefficient
12 way for Blue Cross to process these, especially when
13 they know it's canceled. Why are they processing it?
14 Why are they spending the money to process these
15 claims?

16 If it's happening to me, I know it's
17 happening to thousands, maybe hundreds of thousands
18 of others. That's a big expense they could
19 eliminate.

20 Now, I received back a letter in June of
21 2009 to my March 25th letter of 2009 from CMS.
22 "Thank you for contacting Medicare. We recently
23 reviewed your letter regarding Wellmark Blue
24 Cross/Blue Shield policy. You indicated in your
25 letter that you had disenrolled from that policy and

1 picked up a policy with Physicians Mutual.

2 "After receiving your records, we determined
3 that Blue Cross--we determined that Wellmark Blue
4 Cross/Blue Shield is listed as your secondary
5 insurance. If you change supplemental policies, you
6 need to call your old supplemental policy to cancel
7 the crossover.

8 "Please allow 60 calendar days for the
9 process to be completed. If it has been more than 60
10 calendar days, please contact your supplemental
11 insurance company.

12 "Thank you for sending your correspondence
13 to Medicare. If you have any questions concerning
14 this matter or have any other items you would like to
15 discuss, please call us."

16 Okay. Now, I had called Blue Cross several
17 times asking them to stop this. They said I would
18 have to contact Medicare. I contacted Medicare, and
19 Medicare is saying I have to contact Blue Cross.

20 So I decided to take the bull by the horns
21 and made a conference call. I set up a conference
22 call between Medicare and Blue Cross, and I had
23 talked with two very nice ladies on the line, and
24 they assured me that they'd get it straightened out
25 for me. That was over six months ago. I still

1 haven't got it straightened out.

2 I've got a claim here for January of 2010
3 that is not straightened out. I've got another one
4 from May of 2010 that's still not straightened out.
5 And each time it still says the same thing: "These
6 services were performed after your coverage was
7 canceled."

8 Why is Blue Cross continuing to process
9 these phantom claims? They aren't going to pay me
10 anything because they know it's canceled. They're
11 spending an awful lot of money processing phantom
12 claims for me and, I'm sure, many, many others.

13 Now, a second thing where I feel Blue Cross
14 could cut expenses is with the nurse who calls. I
15 had a particular condition, and I had a nurse that
16 called. I talked to her. The doctor had explained
17 to me what to do and, you know, what medications to
18 take.

19 The nurse called again about a month, month
20 and a half later, and finally, the third time she
21 called me, I said, you know, "You're very pleasant to
22 talk to, but I believe after our discussions and
23 after my discussions with my doctor that I understand
24 what's going on." Excuse me. So that's another area
25 where they could cut expenses.

1 I think it's ridiculous the amount of
2 increase that they are asking current policyholders.
3 I thought I got the shaft when I went from 500 a
4 month to 1,500 a month and then had to take a policy
5 for my wife which was a high premium and virtually no
6 coverage.

7 But I think I've pointed out two areas where
8 Blue Cross could do a better job in cutting their
9 expenses. You know, it makes sense to me that if the
10 policy's canceled you don't need to process the
11 claim. Now, is there anything wrong with that logic?
12 I don't think so.

13 Thank you for your time. I'm going to leave
14 a copy of these--

15 COMMISSIONER VOSS: Thank you.

16 MR. ARVIDSON: --two letters.

17 And appreciate your holding these hearings.
18 I'm sorry that I was late, but I was one of those
19 persons who wasn't able to find the location as easy
20 as I thought I was going to.

21 COMMISSIONER VOSS: Thank you.

22 Alison Anastasio-LeBlanc.

23 MS. ANASTASIO-LEBLANC: Hello. I'm not a
24 public speaker. I work out of my house virtually by
25 myself.

1 So my name is Alison Anastasio-LeBlanc. My
2 husband and I have owned a small mom-and-pop business
3 since 2004. We are the only employees, the only two
4 employees. We both work our business together full
5 time and periodically take on other part-time jobs
6 for financial reasons.

7 We do not have a storefront. It would be
8 cost prohibitive, which is one of the reasons we work
9 out of our house. We have not taken a vacation since
10 opening our business in 2004.

11 Blue Cross/Blue Shield has taken our monthly
12 premium right out of our checking account since 2004
13 when we opened our business. We have an individual
14 policy based on my age. I am 56 years old. We have
15 a basic policy, no vision, no dental, no mental
16 health.

17 Blue Cross/Blue Shield routinely denies our
18 medical claims. My latest frustration on that regard
19 was last August when I fell in our backyard and they
20 would not pay anything because they said it was
21 workmen's comp related, in spite of my providing
22 proof that it was not.

23 I went round and around on the phone with
24 them. At one point they had lost my claim
25 completely.

1 In 2004, our monthly premium was
2 approximately \$500. I had to accept a rider denial
3 of a preexisting condition. Blue Cross/Blue Shield,
4 again, routinely denies our medical claims aside from
5 my preexisting condition.

6 Our biggest premium increases and huge jumps
7 have occurred since 2009, when our premium was raised
8 to \$809.10. Our latest notice of premium increase
9 dated November 2010 states that our current
10 individual small business premium of \$1,068 will, as
11 of April 1st, 2011--April Fool's Day, as you
12 note--have a proposed rate increase bringing our
13 monthly premium up to \$1,182.30 per month.

14 Our business is a faith-based family
15 business. My 19-year-old son is with me here today.
16 He is a college freshman living at home. We
17 currently have the money for him to complete his
18 first year of college only.

19 Blue Cross/Blue Shield's rapid and vast
20 increases are negatively affecting our son's future
21 education and our personal income and the present
22 viability of our Iowa small business.

23 COMMISSIONER VOSS: Thank you.

24 MS. ANASTASIO-LeBLANC: Thank you.

25 COMMISSIONER VOSS: Donna Barton.

1 MS. BARTON: My name's Donna Barton. I
2 guess I'm more questioning if there's a plan in place
3 for people if they can't afford the rate increases.

4 Wellmark gave me many increases. I couldn't
5 afford it anymore so I canceled my policy, and nine
6 months later they went back and took anything they
7 paid for the time that I had paid premiums, took all
8 the money back from the hospital.

9 And I hate to see that happen to somebody
10 else. I have a list here. They took back \$12,000,
11 which now I'm left owing, but they did not return my
12 premiums I paid.

13 So I'd just like to think there's some type
14 of plan in place for people who are not going to be
15 able to afford this rate increase.

16 COMMISSIONER VOSS: I know we have several
17 people here from the Division, and if you want to
18 chat with somebody afterwards, maybe we can bring
19 some people here from our market regs.

20 MS. BARTON: Yeah. I've--

21 COMMISSIONER VOSS: Consumer Advocate's
22 here.

23 MS. BARTON: I've seen a lot of attorneys,
24 and I can't find anybody that wants to actually go
25 against them. You know, one attorney said, "Well,

1 you'd need a team, and it's going to end up costing
2 you more money to fight than you would get back."

3 COMMISSIONER VOSS: Angel, after this can
4 you chat with Ms. Barton?

5 MS. ROBINSON: Absolutely.

6 MS. BARTON: All right. Well, thank you.

7 COMMISSIONER VOSS: You're welcome.

8 Anne Kinzel.

9 MS. KINZEL: Good morning, Commissioner
10 Voss, members of the public. Anne Kinzel from Ames,
11 Iowa.

12 I just have a couple questions this morning.
13 I've been out of state and have not followed this
14 issue, perhaps, as closely as I should.

15 But I would like to understand a little bit
16 about the rate increase itself. I understand it's
17 about 11 percent, but is that the mean rate of
18 increase, and, if it is, what is the range of
19 increases that individual and small business
20 policyholders in the state are facing, and do you
21 have that data?

22 COMMISSIONER VOSS: This is the base rate,
23 and we can get you that information. We'll put
24 something together for you.

25 MS. KINZEL: Okay. And secondly, is there

1 also information on the median rate of increase so
2 that we could know how many people have increases
3 above that number and how many below?

4 COMMISSIONER VOSS: I don't think we have
5 that right now.

6 MS. KINZEL: Okay. Thank you.

7 Second, I would like to bring some
8 information to you from that last Iowa Legislative
9 Health Care Coverage Commission meeting. Mr. David
10 Lind, who provides reports and analysis on rate
11 increases and projected rate increases for businesses
12 across Iowa, presented a very interesting data
13 picture at our last commission meeting.

14 In 2010, the average family coverage in Iowa
15 was \$12,766 for the cost of a family policy.
16 Mr. Lind projects, based on historical data, that the
17 rate of increase over the next ten years should be
18 about 10.4 percent. This is what he would expect
19 from the work that he's been doing since 1999.

20 And I think it's important to get some
21 perspective when we look at numbers. Many of you are
22 aware of the analogy of the lobster in the pot. If
23 you put the lobster in a pot of cold water and you
24 gradually increase the rate of heat, the lobster will
25 be compliant, and at the end, he will be cooked. If

1 you put the lobster in a pot of boiling water, the
2 lobster is not so compliant, and he will jump out and
3 probably scare you in your kitchen.

4 And so let's think about rates of increases
5 as slow-boiling pots of water. If, in 2010, our
6 rates--our average rate for family policies is
7 \$12,766 and we see a rate of increase of 10.4 percent
8 in ten years, what we would see in 2020 is an average
9 family policy in the state of Iowa that would cost
10 \$34,337.

11 I think it's fair to say that it's unlikely
12 that the Iowa economy or even the national economy
13 will grow to an extent that compensation for those
14 who work will grow to a point that it will cover a
15 \$34,337 family policy.

16 So I want us to think about these rate
17 increases over time. A lot of people have talked
18 today about discrete increases that they've gotten
19 for one year, but I think it's very important to
20 think about this year over year and where we might be
21 in ten years and what that would mean for both the
22 Iowa economy and for working people in terms of being
23 able to afford any health care coverage whatsoever to
24 be able to address their own personal health
25 problems.

1 Thank you.

2 COMMISSIONER VOSS: Thank you.

3 MS. KINZEL: I want to submit this to you.

4 COMMISSIONER VOSS: I'm going to-- Those
5 are all the people that signed up to speak here, but
6 we may have some people at our remote sites who wish
7 to make some comments, so I'm going to ask the
8 operator to begin the question--the roll call.

9 And if I could just remind those at the
10 remote locations to give us their full names clearly
11 so that we can add those to the record so-- I'm
12 sorry, sir.

13 MR. LINCOLN: I did sign up to speak.

14 COMMISSIONER VOSS: Oh, you did?

15 MR. LINCOLN: Don Lincoln.

16 COMMISSIONER VOSS: I'm sorry. Come on up.
17 I apologize. I must have missed you on there.

18 Go ahead.

19 MR. LINCOLN: My name is Don Lincoln, and I
20 came down from the great city of Madrid, Iowa today.
21 Somewhat struggled with the idea of taking a half a
22 day off work to come before you, but really want to
23 thank you for this opportunity to come before you
24 today and voice my concerns.

25 In looking at these rate increases, I am an

1 independent contractor, I sell real estate and
2 insurance for a living, so I understand the need for
3 rate increases. However, looking at double-digit
4 back-to-back rate increases has got my attention.

5 And if it wasn't for my wife, I would
6 probably drop health care altogether. I am 55 years
7 old. I've been blessed with good health. I've never
8 spent a day of my life in the hospital, other than
9 the day I was born, and so you can see where a
10 back-to-back double-digit increase would get my
11 attention because I am in good health. I hope that I
12 don't need this insurance down the road. My wife
13 feels that maybe someday I will.

14 I guess coming before you today, my main
15 concern is--and maybe I don't watch the media close
16 enough or pay enough attention to what Wellmark is
17 doing, but I never hear of or see anything written
18 about pool increases. My problem with this whole
19 thing is the word "individual" increases.

20 As an individual, if I'm standing out in
21 front of Blue Cross/Blue Shield looking at the
22 building, it's like a David and Goliath scenario to
23 me. I don't feel that I can take them on. But I do
24 feel, my wife feels that I need health care
25 insurance.

1 I am currently paying a rate where, from the
2 city that I come from, I could buy a house with the
3 monthly payment that I am paying for health care
4 insurance right now. And I feel that if this
5 continues to go the way--the direction it's going,
6 I'm going to come to a decision one day where I
7 either have to decide I'm going to make my house
8 payment or I'm going to make a health care insurance
9 payment.

10 So these are concerns that I have. You
11 know, maybe I need to investigate this a little
12 further to see if I can get in some type of pool, but
13 to me it looks like the individual policies are the
14 ones that are getting these big rate increases.

15 And, now, I have admitted here that I'm not
16 up to date on what they're doing--what Blue
17 Cross/Blue Shield is doing with their pools, but I'm
18 not reading anything about increases for those
19 people.

20 And I guess in my mind, if you've got a pool
21 of 120 people and they all decide to go somewhere
22 else, that's a pretty big hit. If, as an individual,
23 I decide to go somewhere else-- And I understand I
24 have that right, I can look around and see what else
25 I can find out there. But as an individual leaving

1 them, it's not a dent in the bucket at all.

2 So I guess those are my comments. And, once
3 again, I want to thank Angel for all the statistics
4 and the comments that she's keeping track of.
5 Sitting here listening to her report, her initial
6 report, I could have been any one of those people
7 that sent her a comment, and so I appreciate hearing
8 that there are other people out there that's
9 concerned about that.

10 I appreciate the other people that came here
11 today to speak to you. I am somewhat involved in the
12 city of Madrid as a city councilperson, so I
13 understand the need for people to come before and
14 voice their concerns, and that's why I did take a
15 half a day off work today to come down here, because
16 if I would have been sitting in my office back in
17 Madrid, you know, I can sit there and stew and stew
18 and stew, but until I come and present my problem to
19 you or my concerns to you, you know, you're not going
20 to know what's going on out there.

21 And, yes, I am glad to see this many people
22 here today. I'm sure there's many more people that
23 couldn't--didn't have the luxury of taking the day
24 off today.

25 So thank you very much for letting me talk

1 today.

2 COMMISSIONER VOSS: Thank you, Mr. Lincoln.

3 We'll open it up to the cities around the
4 state. If the operator wants to begin with the roll
5 call, and we'll take comments from those in the
6 various cities that have been hooked up.

7 Operator.

8 THE OPERATOR: At this time I would like to
9 begin with the roll call. If you have any comments,
10 please proceed.

11 Ames.

12 COMMISSIONER VOSS: Okay.

13 THE OPERATOR: Anamosa.

14 COMMISSIONER VOSS: All right.

15 THE OPERATOR: Burlington.

16 COMMISSIONER VOSS: Okay.

17 THE OPERATOR: Centerville.

18 COMMISSIONER VOSS: Okay.

19 THE OPERATOR: Cherokee.

20 COMMISSIONER VOSS: All right.

21 THE OPERATOR: Clarinda.

22 COMMISSIONER VOSS: Okay.

23 THE OPERATOR: Corning.

24 COMMISSIONER VOSS: All right.

25 THE OPERATOR: Council Bluffs.

1 COMMISSIONER VOSS: Okay.
2 THE OPERATOR: Davenport.
3 COMMISSIONER VOSS: All right.
4 THE OPERATOR: Dubuque.
5 COMMISSIONER VOSS: Okay.
6 THE OPERATOR: Elkader.
7 COMMISSIONER VOSS: All right.
8 THE OPERATOR: Estherville.
9 COMMISSIONER VOSS: Okay.
10 THE OPERATOR: Fort Dodge.
11 COMMISSIONER VOSS: All right.
12 THE OPERATOR: Greenfield.
13 COMMISSIONER VOSS: Okay.
14 THE OPERATOR: Grundy Center.
15 COMMISSIONER VOSS: All right.
16 THE OPERATOR: Ida Grove.
17 COMMISSIONER VOSS: All right.
18 THE OPERATOR: Iowa City.
19 COMMISSIONER VOSS: All right.
20 THE OPERATOR: Jefferson.
21 COMMISSIONER VOSS: Okay.
22 THE OPERATOR: Marion.
23 COMMISSIONER VOSS: All right.
24 THE OPERATOR: Mason City.
25 COMMISSIONER VOSS: All right.

1 THE OPERATOR: Montezuma.
2 COMMISSIONER VOSS: Okay.
3 THE OPERATOR: Muscatine.
4 COMMISSIONER VOSS: All right.
5 THE OPERATOR: Rock Rapids.
6 COMMISSIONER VOSS: Okay.
7 THE OPERATOR: Sibley.
8 COMMISSIONER VOSS: All right.
9 THE OPERATOR: Sioux City.
10 COMMISSIONER VOSS: All right.
11 THE OPERATOR: Spencer.
12 COMMISSIONER VOSS: All right.
13 THE OPERATOR: Waterloo.
14 COMMISSIONER VOSS: All right. Okay.
15 THE OPERATOR: Waverly.
16 COMMISSIONER VOSS: All right.
17 THE OPERATOR: Webster City.
18 COMMISSIONER VOSS: Okay. Thank you,
19 Operator.
20 THE OPERATOR: You're welcome.
21 COMMISSIONER VOSS: Do we have a
22 representative from Wellmark that wishes to speak?
23 MR. FISHER: Thank you, Commissioner Voss,
24 for allowing me the opportunity to speak here today.
25 And more importantly--

1 COMMISSIONER VOSS: Your name?

2 MR. FISHER: Oh, I'm sorry. My name is Jeff
3 Fisher. I'm assistant general counsel for regulatory
4 affairs at Wellmark.

5 Again, thank you to the Commissioner for
6 holding this hearing today. And more importantly, I
7 want to thank the policyholders who have chosen to
8 participate in today's hearing and in the previous
9 hearing on December 18th, as well as the opportunity
10 to provide comments on-line to the Consumer Advocate,
11 which she's posted on the Web site and summarized for
12 us today.

13 All the comments that we've heard and have
14 been submitted highlight a very important issue, and
15 that is the rising cost of health care in our state.
16 The people-- I want to make sure I emphasize for
17 today's audience and everyone who is watching that
18 the people at Wellmark at all levels of the company
19 are listening closely to our customers' concerns,
20 and, in fact, we agree with many of the underlying
21 concerns that have been expressed.

22 It's our position that the rate increase we
23 have requested is justified, but it's certainly much
24 higher than either Wellmark or our customers would
25 like to see.

1 The fact is we've seen in Iowa a trend
2 that's not uncommon in other parts of the country as
3 well, and that is our members, as a group, are using
4 more services year to year, and this leads to
5 increase in the payments that are required to go out
6 to hospitals and doctors and pharmacies for the care
7 that our members receive. We see this trend
8 continuing in 2011 and perhaps beyond that time
9 period.

10 We've been working hard to control costs at
11 Wellmark, but we have a long way to go. In fact, the
12 stories and the experiences that we heard today and
13 previously, and these are experiences of folks who
14 are our neighbors, they're our family members,
15 they're our friends, these experiences are what drive
16 Wellmark's employees to work hard every day to
17 achieve the company's primary goal, which is to
18 maintain a--or build and maintain a sustainable
19 health care system where the cost of health care and
20 the cost of insurance to cover that health care is
21 affordable and doesn't increase at the rates we've
22 seen this year or last year.

23 It can't be accomplished alone. This is
24 something that Wellmark has worked with other
25 stakeholders in the health care sector, including

1 doctors, hospitals, pharmacies, employers, and, in
2 fact, our individual members to try to control these
3 costs and contain or reverse the trend of rising
4 health care.

5 We've got a long way to go. It's something
6 that we think is achievable. And we appreciate,
7 again, the opportunity to speak to you today and to
8 listen face to face and over the Internet and via the
9 transcripts that are being recorded to our consumers'
10 viewpoints and our customers' viewpoints. We'll
11 continue to try to service them as best we can.

12 So I appreciate the opportunity. Thank you.

13 COMMISSIONER VOSS: Okay. Is there anyone
14 else in the audience who wants to speak?

15 MS. ROBINSON: Susan.

16 COMMISSIONER VOSS: Yes.

17 (Discussion off the record.)

18 COMMISSIONER VOSS: Okay. Thank you. All
19 right. Well, let me just--since we don't have anyone
20 else who wanted to speak in the room, for those of
21 you who did not want to, you can still contact our
22 office or chat with Angel Robinson after the hearing.

23 As I mentioned previously, here's what's
24 going to occur going forward. We have the reports
25 from our in-house actuary and our independent actuary

1 that will be posted on the Internet on our Web site
2 for you to review.

3 Division will then sit down with all the
4 comments they received. We will meet internally
5 about the reports. We'll review the reports, and we
6 will possibly be having additional meetings
7 internally, and then we will make a decision by the
8 end of the month.

9 As I mentioned earlier, there are three
10 things that we can do. We can either accept the rate
11 as filed, go back to Wellmark and tell them we would
12 only accept a certain rate increase, or deny the rate
13 increase in total, at which time Wellmark is within
14 their rights to request a hearing. So those are the
15 different options that we have.

16 Angel.

17 MS. ROBINSON: Commissioner, could I request
18 that you ask the operator to reopen the lines for
19 Dubuque and for Mason City?

20 COMMISSIONER VOSS: Okay. Operator?

21 THE OPERATOR: Dubuque?

22 COMMISSIONER VOSS: Yes. Could you--

23 THE OPERATOR: Dubuque?

24 COMMISSIONER VOSS: --open the line for
25 Dubuque, please?

1 THE OPERATOR: One moment.

2 COMMISSIONER VOSS: This is the first time
3 we've done this, so--

4 THE OPERATOR: Dubuque, your line is open.

5 COMMISSIONER VOSS: Okay. Dubuque.

6 REPRESENTATIVE ISENHART: Hello?

7 COMMISSIONER VOSS: Hello.

8 REPRESENTATIVE ISENHART: Can someone be
9 heard?

10 COMMISSIONER VOSS: Yes, we can hear you.

11 REPRESENTATIVE ISENHART: Okay. We tried to
12 jump in the first time we were called but weren't
13 acknowledged.

14 COMMISSIONER VOSS: Okay. I'm sorry.
15 Representative Isenhardt?

16 REPRESENTATIVE ISENHART: Might be an issue
17 with some of the other locations too. Yes, this is
18 Representative Isenhardt.

19 I just had a question in response to a point
20 that was made by one of the presenters who said--made
21 reference to the fact that individual policyholders,
22 since they're not in a group, really don't have any
23 bargaining power, people to negotiate for them, and
24 suggested that the Commissioner's office-- I don't
25 know if you have the power to be a negotiator or not,

1 but in describing your abilities, your options as the
2 Insurance Division with respect to this rate
3 increase, does the--your ability to--do you have an
4 ability to negotiate a different rate based on some
5 factors you think are relevant or do you have the
6 ability to delve into the validity of the numbers you
7 are being presented and how they apply towards the
8 requested rate increase?

9 COMMISSIONER VOSS: Yes. Absolutely. And,
10 in fact, if you look historically at what we've done
11 with rate review, we've often negotiated down.
12 Almost half of the rates have been negotiated down
13 over the history of our reviews. And that's with all
14 carriers. I'm not speaking just about Wellmark.

15 REPRESENTATIVE ISENHART: Thank you.

16 COMMISSIONER VOSS: Uh-huh. Is there
17 anybody else in Dubuque who would like to speak?

18 REPRESENTATIVE ISENHART: No.

19 COMMISSIONER VOSS: Okay. Thank you.

20 I think we had somebody from Mason City.
21 Operator, could we open up the Mason City line,
22 please?

23 THE OPERATOR: Mason City, your line is
24 open.

25 MR. CRIMMINS: Hi. Can you hear me?

1 COMMISSIONER VOSS: Yes.

2 MR. CRIMMINS: Okay. Good. My name is
3 Roger Crimmins. I live in Mason City. Just a couple
4 quick comments.

5 First, Commissioner Voss, you asked how many
6 comments had been made, and the lady said about 400
7 or something, and then a few people made comments
8 today. I certainly hope that you are not considering
9 the number of comments but rather the content of the
10 comments, because what I heard was very important to
11 this issue.

12 Secondly, here in Mason City we're all
13 crowded around this little telephone speaker box, and
14 might I suggest that an issue of import such as this
15 is that affects so many in the future might be
16 something that you work through Iowa Public
17 Television or Iowa Public Radio to get broadcast
18 statewide.

19 And then on a personal note, I would just
20 like to add it surprises me, number one, that a
21 business as large as Wellmark, operating as long as
22 they have, would see the need to have to jump rates
23 so quickly. There had to have been some planning
24 that was missed along the way.

25 But be that as it may, I'd just like to

1 point out one personal issue, and that is the
2 situation with my wife's health insurance that, in
3 the course of three years since 2008, with this
4 proposed rate increase, is going to jump to just
5 under 100 percent.

6 So that, you know, there was a lady there
7 that asked, you know, what's the range. Well,
8 there's part of the range, nearly 100 percent. And
9 that amount is basically getting close to her
10 two-week take-home pay.

11 And it's just ludicrous that this situation
12 has arrived at the point at which it is right now.
13 And I'm sure that I speak for many other people
14 and--as I heard earlier other people speaking to that
15 issue.

16 So, again, I hope that you don't weigh out
17 the number of comments but, rather, the content of
18 those comments when you weigh these issues.

19 Thank you.

20 COMMISSIONER VOSS: Thank you.

21 Anyone else in Mason City?

22 REPRESENTATIVE STECKMAN: Yes.

23 Representative Sharon Steckman.

24 COMMISSIONER VOSS: I'm sorry. What was the
25 last name?

1 REPRESENTATIVE STECKMAN: Steckman.

2 COMMISSIONER VOSS: Okay. Thank you.

3 REPRESENTATIVE STECKMAN: I would voice
4 Roger's concern about the way the-- I appreciate the
5 fact that we're being able to have input; however, I
6 had a lot of e-mails from constituents that said, you
7 know, "I am working all day long trying to pay my
8 insurance. I can't make this meeting." I think if
9 this was held in the evening you would see a bigger
10 turnout, and it would be more helpful to the people
11 that would like to express concerns.

12 COMMISSIONER VOSS: I appreciate that.
13 Thank you.

14 REPRESENTATIVE STECKMAN: And also, we--when
15 you came in and asked for comments, we said yes, and
16 apparently-- I can't imagine that all those other
17 locations had no comments at all. Are you sure you
18 gave them the chance, or could you possibly give a
19 phone number that a location could call?

20 I knew to call Representative Petersen and
21 let her know that we had a comment, and so did
22 Representative Isenhardt, but possibly some of the
23 other locations did not. It might be helpful if they
24 had a phone number they could quickly call if they
25 did have a comment and were not able to get in when

1 they were asked.

2 COMMISSIONER VOSS: Well, we can certainly
3 ask the operator to go through the list of cities
4 again.

5 REPRESENTATIVE STECKMAN: No.

6 COMMISSIONER VOSS: I'm happy to do that.

7 REPRESENTATIVE STECKMAN: When she did that,
8 though, we did say yes, and apparently she didn't
9 catch that or we weren't connected, or something.
10 The fact that I had a phone number to call was
11 helpful because then you knew we did have a comment.

12 COMMISSIONER VOSS: Okay. Thank you. We
13 did--

14 REPRESENTATIVE STECKMAN: Thank you.

15 COMMISSIONER VOSS: Because Representative--
16 Just to kind of clarify, I know this is the first
17 time we have done this. We did have a Saturday
18 hearing on December 18th because I felt that we
19 needed to have an opportunity to have people who
20 couldn't make it to work, and in the future when we
21 have these, we will certainly make sure that we have
22 these at a time that are convenient for working
23 people.

24 REPRESENTATIVE STECKMAN: Right. That
25 Saturday one was in Des Moines, right?

1 COMMISSIONER VOSS: Yes. Yes.

2 REPRESENTATIVE STECKMAN: Right. Thank you.

3 COMMISSIONER VOSS: Thank you.

4 Operator, why don't we go through the list
5 again.

6 THE OPERATOR: Okay. I will begin with the
7 roll call.

8 Ames.

9 REPRESENTATIVE STECKMAN: She started the
10 roll call, and we said yes, and she totally ignored
11 it.

12 COMMISSIONER VOSS: Ames? Is there someone
13 there in Ames?

14 THE OPERATOR: No comments from Ames.

15 Anamosa.

16 UNIDENTIFIED VOICE: No comments. I just
17 happened to step in the room, and nobody's here.

18 COMMISSIONER VOSS: Thank you.

19 THE OPERATOR: Burlington.

20 COMMISSIONER VOSS: Okay.

21 THE OPERATOR: Centerville.

22 COMMISSIONER VOSS: Centerville, is there
23 anyone there that wants to comment?

24 UNIDENTIFIED VOICE: Can you hear me?

25 COMMISSIONER VOSS: Yes.

1 UNIDENTIFIED VOICE: No comments. And no
2 one's here, by the way.

3 COMMISSIONER VOSS: Okay. Thank you.
4 Cherokee.

5 REPRESENTATIVE STECKMAN: Well, it's good
6 they're going through it again, though, because we
7 did say yes--

8 COMMISSIONER VOSS: Who said yes?
9 Oh, okay. How about let's try Clarinda.
10 Operator, do you want to keep going?

11 THE OPERATOR: Corning.

12 COMMISSIONER VOSS: All right. Next city.

13 THE OPERATOR: Council Bluffs.

14 COMMISSIONER VOSS: All right. Next city.

15 THE OPERATOR: Davenport.

16 MR. CRIMMINS: We're done in Mason City.

17 COMMISSIONER VOSS: Okay. Next city.

18 THE OPERATOR: Dubuque.

19 COMMISSIONER VOSS: Okay. I know we heard
20 from Representative Isenhardt. Next city.

21 THE OPERATOR: Elkader.

22 (Voices heard via telephone.)

23 COMMISSIONER VOSS: Is that Mason City?

24 THE OPERATOR: Estherville.

25 UNIDENTIFIED VOICE: There were five people

1 here total, and there are no comments.

2 COMMISSIONER VOSS: Okay. Thank you.

3 THE OPERATOR: Greenfield.

4 UNIDENTIFIED VOICE: No comment.

5 COMMISSIONER VOSS: Thank you.

6 THE OPERATOR: Grundy Center.

7 COMMISSIONER VOSS: Okay. Go ahead. Ida
8 Grove.

9 THE OPERATOR: Ida Grove.

10 COMMISSIONER VOSS: All right. Let's try
11 Iowa City.

12 THE OPERATOR: Iowa City.

13 REPRESENTATIVE STECKMAN: I can't believe
14 there's no one in Iowa City with comments.

15 COMMISSIONER VOSS: All right. Next.

16 THE OPERATOR: Jefferson.

17 COMMISSIONER VOSS: Okay. Next.

18 THE OPERATOR: Marion.

19 COMMISSIONER VOSS: Next.

20 THE OPERATOR: Mason City.

21 MR. CRIMMINS: We already made our comments.
22 Thank you.

23 COMMISSIONER VOSS: Oh, that's right.

24 Sorry. I'm sorry.

25 All right. Next.

1 THE OPERATOR: Montezuma.
2 COMMISSIONER VOSS: All right. Next.
3 THE OPERATOR: Muscatine.
4 COMMISSIONER VOSS: All right. Next.
5 THE OPERATOR: Rock Rapids.
6 UNIDENTIFIED VOICE: No comments here.
7 COMMISSIONER VOSS: Thank you.
8 Next.
9 THE OPERATOR: Sibley. Sibley.
10 COMMISSIONER VOSS: Okay. Next.
11 THE OPERATOR: Sioux City.
12 COMMISSIONER VOSS: Next.
13 THE OPERATOR: Spencer.
14 MS. ROUSE: We agree that there is not
15 enough publicity on this. Most people do not know
16 about it. Are you aware it was--
17 MS. ROBINSON: Pardon me. To interrupt you,
18 could you please state your name for the record?
19 MS. ROUSE: Daisy Rouse.
20 MS. ROBINSON: Thank you. Could you
21 continue.
22 MS. ROUSE: I think that's my main comment.
23 I pretty much agree with what's been said.
24 COMMISSIONER VOSS: Thank you.
25 THE OPERATOR: Waterloo.

1 COMMISSIONER VOSS: Okay. Next.

2 THE OPERATOR: Waverly.

3 COMMISSIONER VOSS: Next.

4 THE OPERATOR: Webster City.

5 COMMISSIONER VOSS: Okay. Well, thank you,
6 Operator.

7 THE OPERATOR: You're welcome.

8 COMMISSIONER VOSS: Thank you very much. I
9 appreciate those additional comments.

10 I don't have anything else. As I said,
11 we'll put both the actuary reports on our Web site.
12 We will have a transcript done of the hearing today
13 that will also be on the Web site. Please feel free
14 to send additional comments to either our office or
15 the Consumer Advocate, Angel Robinson. We hope to
16 have a decision made by the end of the month.

17 Thank you all very much for coming and
18 participating. Thank you.

19 (Proceedings concluded at 10:25 a.m.)
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C E R T I F I C A T E

I, the undersigned, a Certified Shorthand Reporter of the State of Iowa, do hereby certify that I acted as the official court reporter at the hearing in the above-entitled matter at the time and place indicated;

That I took in shorthand all of the proceedings had at the said time and place and that said shorthand notes were reduced to typewriting under my direction and supervision, and that the foregoing typewritten pages are a full and complete transcript of the shorthand notes so taken.

Dated at Des Moines, Iowa, this 9th day of January, 2011.

CERTIFIED SHORTHAND REPORTER